

## **IN THE SPECIFICATION**

Please amend the specification as follows:

Please replace the paragraph beginning on page 46, line 24 through page 47, line 21, with the following written paragraph as follows:

-- The image reproduction uses the changing point information. Depending on image properties, it may be effective to use the information about parameter  $m$  as well during reproduction. In such case, the class judging unit 8 is added in FIG. 22. The class judgementjudgment, i.e., the determination of parameter  $m$  is performed after an error operation for the difference. The error operation uses a sum of squares or an arithmetic sum of absolute values for the differences depending on input signal properties. A sum operation is applied to errors at the sampling points ( $t_k, t_{k+1}, \dots$ , and  $t_{k+(N-2)\tau}$ ) within the span 0 to  $(N-1)\tau$ . Another available error operation may select an absolute value for the maximum difference in an operation span. The operation span is represented by  $N$ . Relatively large values are selected for  $N$  when a still picture is used as an input signal and is processed offline. In FIG. 22, reference numeral 7 denotes an error operating unit to perform the above-mentioned error operation for differences between each of the sampling points within the span 0 to  $(N-1)\tau$ . In FIG. 22, reference numeral 13 denotes an output circuit to output a changing point signal indicating the changing point and a parameter  $m$  signal indicating parameter  $m$  as digital output signals. The parameter  $m$  signal only needs to be capable of identifying one of three parameters  $m = 2, 3$ , and  $\infty$  and therefore can be represented using a 2-bit code. --